

Sector Update

- Industrial OEMs are increasingly emphasizing maintenance, repair, and overhaul (“MRO”) and aftermarket services. These areas offer more stable revenue streams and often deliver higher margins compared to the sale of new equipment.
- To maintain a competitive edge, OEMs are continuously assessing the aftermarket lifetime value of their products, which represents the total revenue generated from servicing their installed base. However, many OEMs have identified a strategic gap: the absence of long-term service contracts with their customers.
- The aerospace MRO sector is experiencing significant growth, driven by steady commercial passenger numbers, deferred maintenance, and slower-than-anticipated aircraft manufacturing.
- Companies providing MRO services and manufacturing aftermarket products are becoming increasingly attractive targets for M&A. Buyers are particularly interested in businesses with a balanced revenue mix between OEM and MRO streams.
- Looking ahead, acquisition activity in the MRO sector is expected to remain robust, fueled by expanding fleet size and increased aircraft utilization.

Select Recent Transactions

has been recapitalized by

has been acquired by

American Event Services
a portfolio company of

has been acquired by

a portfolio company of

has been acquired by

CAYMUS EQUITY
Private Equity for the Lower-Middle Market

For more information and insights, please contact us:

Tom Stafford
Managing Director
(216) 342-5775
tstafford@edgepoint.com

Chuck Aquino
Managing Director
(216) 342-5737
caquino@edgepoint.com

Chris Duncan
Director
(216) 342-5754
cduncan@edgepoint.com

Recent Selected Transactions (2024)

New State Acquires Universal Plant Services



Target



Sponsor

- **August 2024** – New State Capital Partners has acquired the rotating equipment segment of Universal Plant Services (“UPS”).
- UPS is a leading provider of maintenance, repair and overhaul services for industrial equipment. New State has acquired the specialty equipment services related to all rotating, reciprocating and machinery.

Fox Acquires Axis Mechanical Group



Target



Buyer



Sponsor

- **August 2024** – Fox Innovation & Technologies has acquired Cotter Holdings Group dba Axis Mechanical Group.
- Axis Mechanical Group is a professional millwright service offering turnkey solutions for the installation, maintenance, repair, overhaul, and upgrade of industrial rotating and reciprocating equipment in the petrochemical industry.

Ironwood Capital Acquires Aviation Services



Target



Sponsor

- **July 2024** – Ironwood Capital has acquired Certified Aviation Services (“CAS”), a leading aircraft maintenance, repair, and overhaul service provider.
- CAS has established itself as a leading provider of MRO services for fleet operators, lessors, OEMs and adjusters globally conducting line maintenance services, modifications and worldwide aircraft recovery and repairs.

Greenbriar Acquires Sunvaair



Target



Sponsor

- **June 2024** – Greenbriar Equity Group has acquired Sunvaair Aerospace Group.
- Sunvaair is a leading maintenance, repair and overhaul (“MRO”) services provider focused on complex repairs that require advanced engineering capabilities. The Company specializes in landing gear, avionics, flight instruments, sensors and cargo loading systems.

Flow Service Partners Adds in the Midwest



Target



Buyer



Sponsor

- **May 2024** – Salt River Aviation, a niche provider of Auxiliary Power Units (“APU”), APU teardown and disassembly services, has acquired Aviocraft.
- Aviocraft is a premier maintenance, repair and overhaul (“MRO”) provider specializing in batteries, chargers, communication devices, galley, relays and other aircraft accessories.

VSE Acquires Turbine Controls



Target



Sponsor

- **April 2024** – VSE Corporation (NAS: VSEC), a leading provider of aftermarket distribution and repair services, has acquired Turbine Controls.
- Turbine Controls is a leading provider of aftermarket support services for the repair and overhaul of engine components and engine and airframe accessories.

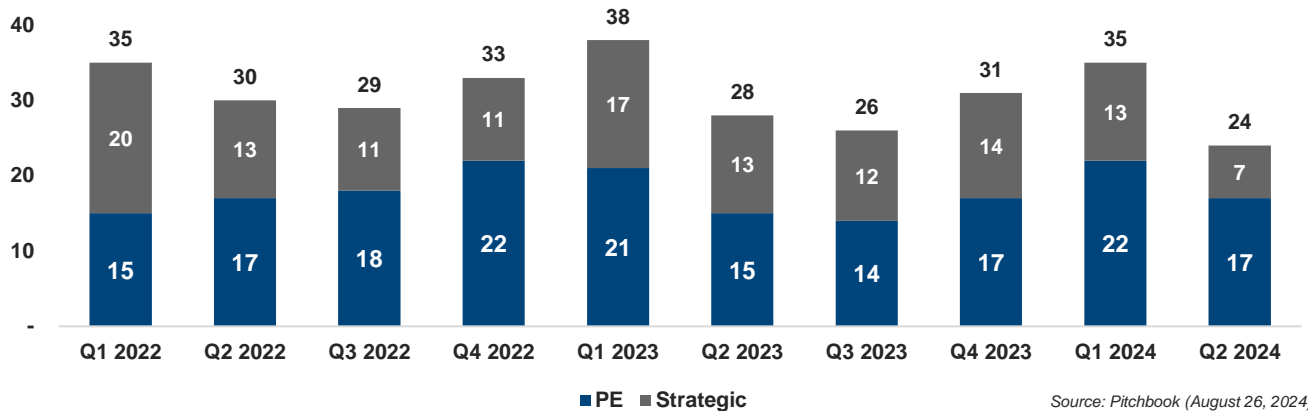
Industrial MRO | September 2024

Recent Selected Transactions (2024)

| Target | Date | Buyer / Investor | State (Target) | Sponsor (if applicable) |
|------------------------------|--------|-------------------------------------|----------------|-------------------------|
| Universal Plant Services | Aug 24 | New State Capital Partners | TX | - |
| Axis Mechanical Group | Aug 24 | Fox Innovation & Technologies | TX | Bluewater |
| Certified Aviation Services | Aug 24 | Ironwood Capital | CA | - |
| Cleveland Compressor Service | Jul 24 | Airmatic Compressor Systems | OH | - |
| EmpowerMX | Jul 24 | IFS | TX | EQT |
| MRO Holdings | Jul 24 | Bain Capital | FL | - |
| FMS Aerospace | Jul 24 | Bridger Aerospace Group (NAS: BAER) | AL | - |
| Aerodyne Corporation | Jun 24 | Sky Aviation | FL | Corbel Capital Partners |
| National Boiler Service | Jun 24 | Clearwell Group | GA | Canopy Capital Partners |
| Sunvair Aerospace Group | Jun 24 | Greenbriar Equity Group | CA | - |
| Victory Lane Aviation | May 24 | Adelphi Capital Partners | NC | - |
| Aviocraft | May 24 | Salt River Aviation | AZ | Weinberg Capital Group |
| Turbine Controls | Apr 24 | VSE Corporation (NAS: VSEC) | CT | - |
| Segers Aerospace Corporation | Apr 24 | H.I.G. Capital | AL | - |

Source: Pitchbook (August 26, 2024)

Recent Sector M&A Activity



Source: Pitchbook (August 26, 2024)

Select Acquirers (Date of Investment and Sponsor)

| | | | |
|--|--|---|--|
|  2024 UNIVERSAL PLANT SERVICES New State Capital Partners |  2024 CAS CERTIFIED AVIATION SERVICES Ironwood Capital |  2024 MRO HOLDINGS Bain Capital |  2024 SUNVAIR AEROSPACE GROUP Greenbriar Equity Group |
|  2024 AVIATION CONCEPTS CORE Industrial Partners |  2023 SALT RIVER AVIATION, LLC Weinberg Capital Group |  2023 FOX ROTATING EQUIPMENT SOLUTIONS Bluewater |  2023 TES Edgewater Funds |
|  2019 AIM MRO AE Industrial Partners |  2019 UNITED AERO GROUP BrightWater Partners |  2019 ONTIC CVC Capital Partners |  2018 PAG GenNx360 Capital Partners |